
OLR Bill Analysis

sHB 5474

AN ACT CONCERNING THE AUTONOMY OF THE PUBLIC UTILITIES REGULATORY AUTHORITY.

SUMMARY:

Under current law, the Public Utilities Regulatory Authority (PURA), which has jurisdiction over most utility-related matters, is part of the Department of Energy and Environmental Protection (DEEP). This bill (1) places PURA within DEEP for administrative purposes only and (2) transfers various responsibilities and powers from DEEP to PURA. The bill modifies what must be considered in developing the integrated resources plan (IRP), under which electric companies meet projected demand through a mix of efficiency programs and electric generation. It requires PURA to approve part of the plan; under current law DEEP has sole responsibility for this.

The bill (1) expands the entities subject to PURA jurisdiction and (2) requires these entities and those already under PURA's jurisdiction to obey the orders of PURA and the Siting Council, as applicable. The bill also establishes enforcement and adjudication divisions in PURA.

The bill requires the Office of Policy and Management secretary to coordinate with the PURA chairperson on various water industry issues that fall within the jurisdiction of multiple agencies.

The bill requires PURA to conduct two proceedings, one on natural gas lines and one on the regulation of the propane industry.

By law, municipalities that own renewable generating equipment can transfer the billing credit they receive for the power the equipment generates to other electric company accounts ("virtual net metering"). The bill extends this provision to power produced by equipment (1) leased by the municipality or (2) that is the subject of a purchased power agreement between the municipality and the equipment's

owner.

Lastly, the bill makes minor, conforming, and technical changes.

EFFECTIVE DATE: Upon passage for the PURA proceedings, the IRP and adjudication division provisions, and a technical change; October 1, 2012 for the enforcement division provisions; and July 1, 2012 for the remaining provisions.

**§§ 2, 4, 6-10, 12, & 13 — TRANSFERS FROM DEEP TO PURA
Responsibilities**

The bill transfers, from DEEP to PURA, the responsibility to:

1. appoint and convene the Energy Conservation Management Board (ECMB);
2. review and approve electric companies' conservation plans;
3. adopt an independent, comprehensive evaluation, measurement, and verification process to ensure the ECMB's programs are administered appropriately and efficiently;
4. adopt regulations specifying when and how a customer is notified that his electric supplier has defaulted and the customer's need for the to choose a new supplier;
5. approve the amount an electric company that bills customers on behalf of a supplier can retain to reflect uncollectible bills and delinquencies; and
6. adopt regulations regarding billing by suppliers and establish billing formats.

The bill also requires ECMB to elect its chairperson from its members; under current law the DEEP commission serves as chair. It requires PURA to hold a hearing on electric company conservation plans; current law allows DEEP to do so. It specifies that PURA's decision to approve, reject, or modify the plan is not subject to appeal.

Regulations

The bill allows PURA, rather than DEEP, to adopt regulations on (1) electric suppliers' services, accounting, safety, and operations and (2) standards for systems utilizing cogeneration technology and renewable fuel resources. The bill eliminates a requirement that PURA consult with DEEP in adopting regulations on utility company rates, charges, services, accounting practices, safety, and operations.

Staffing

Under current law, the PURA chairperson can (1) make recommendations to the DEEP commissioner regarding staff and resources and (2) with his approval, specify the staff's duties. The bill instead requires the chairperson to specify the staff's duties, without reference to the commissioner. It also refers to the staff as PURA, rather than DEEP, employees.

By law, (1) electric companies must provide standard service to small and medium size customers who do not choose a supplier and (2) a procurement manager must procure power for this service. Current law has conflicting provisions as to whether the manager's position is in PURA or DEEP; the bill specifies that it is in PURA.

§ 11 — PURA AND SITING COUNCIL JURISDICTION AND ORDERS

By law, entities in PURA's jurisdiction must obey its orders. The bill requires these entities and those that (1) are regulated by the Connecticut Siting Council and (2) install and operate submetering systems (which are used in facilities such as marinas) and engage in related billing activities to obey the orders of PURA and the Siting Council, as applicable. By law, violations of PURA orders and regulations are generally subject to a civil penalty of up to \$10,000 per offense per day. The bill extends this penalty to (1) the entities regulated by the Siting Council and those engaged in submetering related activities and (2) violations of Siting Council orders and regulations.

§ 18 — INTEGRATED RESOURCES PLAN

The bill requires the IRP to take into account electric companies' conservation plans.

Under current law, the DEEP commissioner may approve or reject the IRP with comments, after holding a public hearing. The bill instead requires the commissioner, in consultation with PURA, to identify any provision of the plan that affects rates. It requires PURA to hold a hearing on these provisions. After the hearing, PURA must approve or reject these provisions. The commissioner may approve or reject with comments any other provision of the plan.

§ 17 — PURA ENFORCEMENT DIVISION

The bill establishes an enforcement division in PURA to review and investigate potential violations of (1) the laws governing utilities and related entities (other than those dealing with submetering) and (2) PURA and Siting Council orders and regulations, including noncompliance with any PURA order or decision issued in a docket.

The bill allows this division to conduct investigations and hearings if PURA believes that any entity under its or the Siting Council's jurisdiction has violated the relevant law or a PURA order or decision. In addition to utilities, entities under PURA's jurisdiction include, among others, electric suppliers, telecommunications companies, and firms subject to the Call Before You Dig law. The Siting Council has jurisdiction over firms that develop energy and telecommunications facilities.

If the division determines, after an investigation or hearing, that the person has violated the law or a PURA or Siting Council order or regulation, or has failed to comply with any PURA order or decision, the bill allows the division to recommend that PURA assess a civil penalty under its existing powers.

Within one year after PURA or the Siting Council issues an order or decision for any docket, and annually thereafter, the division must review it to determine whether it has been complied with. If the division determines that any person or entity has failed to comply with

the order or decision, it may (1) begin an investigation of the noncompliance or (2) recommend that PURA assess a civil penalty under its existing authority.

§ 20 — ADJUDICATION DIVISION

The bill establishes an adjudication division in PURA. The staff of the division must at least include PURA's hearing officers. The division's responsibilities include hearing matters assigned to the hearing officers and advising PURA on legal issues. PURA must appoint the hearing officers as provided under current law and assign other staff as are needed to advise it. The Department of Public Utility Control, PURA's predecessor, had a similar unit.

§§ 14 & 15 — PURA PROCEEDINGS

The bill requires PURA to conduct proceedings to review (1) the sufficiency of natural gas lines in the state to supply gas for consumers to operate generators and (2) the regulation of the propane industry. PURA must report its findings to the Energy and Technology Committee on these issues by February 1, 2013 and January 1, 2013, respectively.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 21 Nay 0 (03/28/2012)